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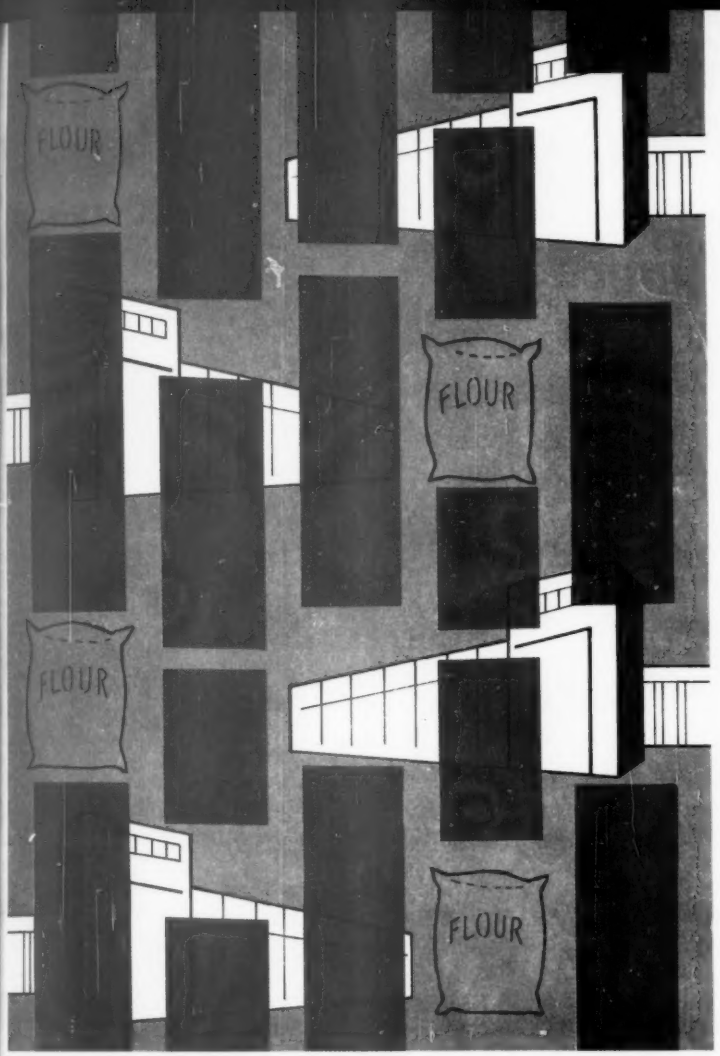

SPECIAL GRAIN ISSUE:

ARGENTINE GRAIN BOARD GETS FIRST REAL TEST

U.S. WHEAT AND FLOUR EXPORTS

AUSTRALIA'S BIG GRAIN CROP

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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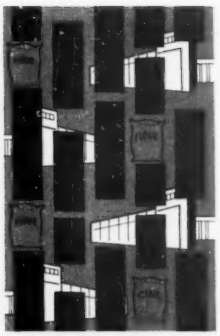

Three articles in this issue deal with grains. For the U.S. grower and exporter particularly pertinent is the one on page 5 forecasting the foreign market for our wheat and flour exports.

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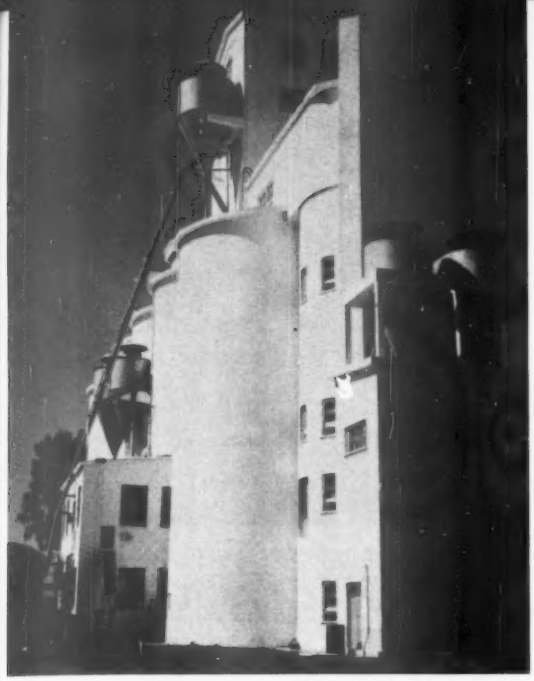
Argentine Grain Board To Get Its Real Test This Year

By QUENTIN R. BATES
U.S. Agricultural Attaché
Buenos Aires



Modern country grain elevator

There appears to be building up in Argentina the strongest test yet of the effectiveness of its grain marketing system, which is headed by the powerful National Grain Board.

This year, as last, the Board is responsible for the marketing of an exceptionally large grain crop. But, unlike last year, supply and demand will not be working in its favor, as good crops around the world are causing most sources to predict a slow export season for grain. How the Board handles this situation is of considerable importance to the country's economy, which depends on the commodities the Board controls for nearly half its foreign exchange earnings.

A semiautonomous official organization, the National Grain Board exercises broad authority over the supervision and regulation of grain and oilseed marketing; and while it has some functions in common with the Commodity Credit Corporation, the Canadian Wheat Board, and the Australian Wheat Board, it probably has a wider variety of functions than any of these counterparts.

Dates back some 30 years

Need for such an organization was recognized more than 30 years ago by specialists concerned with the numerous weaknesses in the country's grain marketing system. Varieties of wheat were being produced which did not meet the requirements of either the foreign or domestic trade and were being sold through an obsolete and inefficient marketing system. Lack of official grades and standards made it difficult for farmers to estimate the real value of their crops. An inadequate inspection system was reflected in a poor reputation for Argentine grain exports; and bulk movements of grain were handicapped by an insufficient number of storage installations. Furthermore, not enough information was available on the production and marketing of grains to permit the setting-up of a realistic grain policy.

With the hope of counteracting some of these weaknesses, the government in 1935 established the National Commission of Grain and Elevators. This organization was given broad powers over the domestic and export trade as well as classification, grading, and research for oilseeds and grain. In addition, it was authorized to expropriate and operate all private terminal and country elevators. (It did not expropriate all private elevators, however, and today about one-third of the country's storage capacity is owned privately—mainly by cooperatives.)

In 1949, the name of the Commission was changed to the National Administration of Grain and Elevators but its functions remained the same. The name was again changed in 1954, to the National Institute of Grain and Elevators, and the organization then became closely alined with the National Institute for the Promotion of Trade (IAPI), which during the latter part of the Perón period had a virtual monopoly on the domestic and foreign marketing of farm products.

Following the 1955 ouster of Perón, the state trading system was broken up, and most domestic and export marketing functions were returned to private channels. A year later the government established the National Grain Board in its present form.

Functions of the Board

The Board is made up of nine members appointed by the government, four of whom represent the producers, the grain trade, and the processing industry and one representing cooperatives. The President of the Board reports to the Secretary of Agriculture and because of the Board's importance to the entire economy, the Minister of Economy often assumes direct supervisory responsibilities.

Although leaving most of the grain marketing in the hands of private exporters, the Board now has the authority to make direct government-to-government export sales contracts, several of which have actually been negotiated during the past year. The Board owns about two-thirds of the commercial grain storage in Argentina, including all terminal elevators and underground storage facilities—one of its unique features as compared with similar boards of other exporting countries. It also administers the price support program for grains and oilseeds, establishes grades and standards, regulates the grain marketing system, conducts research and extension programs, and advises other

Counterclockwise, unloading bagged wheat from boxcar, delivering grain to shipside for export, and to grain elevator. Pictures courtesy National Grain Board.

government agencies on all matters relating to these and other grain policy matters.

The Board finances its operations in a variety of ways, one being a 1-percent tax on grains and oilseeds exported from Argentina. An additional 1½-percent tax is levied on exports to finance construction of Board-owned elevators, and a new decree has just been issued under which the Board will levy another tax, of ½ percent, on all grain used by millers or processors or for other domestic industrial purposes.

Short-term financing of purchases from producers is supplied as necessary by national banks, and the Board retains for its own use all income received from fees for services and storage, from fines, and from profits made when selling wheat acquired through the price support program. This support program, until a year ago, showed large profits, reflecting the steady advance over the years in the price of grains in peso terms.

Problems incurred by the Board

During the 1963-64 marketing year, however, the Board found itself losing money because of a change in its support program for wheat.

A support price was established in October 1963 that was very close to equivalent dollar value in the world market. The Argentine peso shortly afterward rose about 10 percent in value, while world market prices for grain declined. The support price, was therefore unusually attractive, and the Board became virtually the only buyer of wheat from producers, except for the quantities required for domestic consumption.

Total Board purchases during December 1963-November 1964 are estimated at about 4.5 million metric tons of wheat, of which well over 1 million were still held on the latter date. Although the Board's realized losses have not been published, they are undoubtedly rather heavy and must have made substantial inroads into the large reserves that had been built up from earlier profits.

A decrease in the support price this year is expected to prevent the recurrence of the 1963-64 incident; however, the Board is currently plagued by a lack of grain storage facilities. Realizing that the problem will be especially acute if production and demand forecasts materialize, the Board hopes soon to begin a program to construct more storage facilities.

One source of serious concern among private traders is the Board's apparent growing predilection for government-to-government contracts, in part an outgrowth of its having to buy so much wheat in 1963-64. During that year, 1.2 million metric tons of wheat were sold under contract to Communist China, and smaller quantities, to Uruguay and Paraguay. In the coming calendar year, the Board will negotiate a million-ton commitment under an agreement with Brazil; however, much of this business is expected to be allocated to private exporters.

Spokesmen for the Board disclaim any desire to encroach any further than necessary on the private grain trade. They assert that the Board's intentions remain as always to keep as much as possible of the export business in private hands but that exceptional circumstances have required, and may again, intervention by the Board.

In addition, the Board has recently come under the close scrutiny of treasury officials who have proposed that all its income be channeled into the national treasury and that its operating funds be obtained through the submission of an annual budget to the legislature in the same manner as do regular government departments. The Board claims that this would seriously handicap its freedom of action and thus reduce the flexibility so necessary for its operation. This claim has been generally supported by producers' organizations, and the Administration appears to have decided not to press for the measure at this time.

The Foreign Market for U.S. WHEAT and WHEAT FLOUR

U.S. wheat and flour exports during 1964-65 are currently expected to reach a level of about 675 million bushels. This is sharply below the record 860 million bushels exported in 1963-64, but is near the average of the preceding 3 years. At this level, U.S. exports of wheat and flour would be exceeded only by those of 1963-64 and 1961-62.

Commercial exports, which were largely responsible for the increase in 1963-64, are expected to reach only 150 million bushels in fiscal 65. Based on the 1961-63 period, they should total about 190 million bushels: a level of only about 150 million bushels would be both below the average and also the normal share of world trade. Principally because of improved crops in Western Europe, U.S. commercial exports during the first half of the marketing year are expected to total about 60 million bushels; however, the rate of exports during the balance of the year is expected to be considerably higher.

Food-for-Peace exports to rise

Exports of wheat and flour under the Food-for-Peace programs to developing countries are expected to be moderately above the level of 1963-64. This is a continuing trend of recent years.

India is the recipient of the largest share of wheat under these programs and is expected to take even larger quantities in 1964-65. Adverse weather conditions caused some reduction in India's crops; also, the country's rapidly increasing population creates a demand greater than the supply. Consequently, it is estimated that its imports from the United States may reach nearly 200 million bushels this fiscal year.

Western Europe, the Soviet Union, and Japan all had poor crops in 1963-64 and were major importers. However, the outlook is quite different for 1964-65.

Western Europe's wheat crop of 1.6 million bushels is exceeded only by that of 1962. France is again an exporting country, having produced 100 million bushels more than last year. Of the other major producing countries, only Spain and Portugal had smaller crops. Most of the wheat produced this year in Western Europe is of good quality in contrast to the large percentage of weather-damaged wheat last year. As a result, the demand will be mainly for hard wheat to use for blending with their soft wheats in milling.

Lower Soviet exports

Eastern Europe is expected to produce about the same amount as it did a year ago, or slightly more. The Soviet Union's 1964 acreage was reported at about 167 million acres, 7 million larger than in 1963. A crop around 2 billion bushels is estimated even though considerable damage was caused during harvest by drought in the western and southern areas, and by excessive moisture in the eastern "new lands" area. Production at this level has previously allowed substantial exports. However, because of the crop failure last year, official statements from the Soviet Union indicate that this season both exports and imports are expected to be considerably less. Obligations to satellite countries may be fulfilled, but most efforts will be concentrated on rebuilding stocks.

Japan's 1964 wheat crop is near the average of past years, with the exception of 1963 when about half the crop was destroyed by storms. This, in turn, may lead to lower import requirements.

Unofficial estimates of Mainland China's 1964 wheat crop indicate it may be somewhat better than that of 1963. However, substantial imports are continuing from Australia, Argentina, Canada, and possibly France.

Bumper crops harvested

Supplies of wheat in major exporting countries will continue at high levels. Production in 1964 for North America is estimated at about 1,956 million bushels, which is a near record. The United States harvested a bumper crop of 1,286 million bushels, though Canadian production at 600 million bushels is 20 percent below the record of 1963. Mexico produced a record crop of 77 million bushels, up 4 percent over 1963.

Argentina and Australia are the major exporters in the Southern Hemisphere, and both are currently harvesting bumper crops. Argentina's production is expected to be about 280 million bushels, down 7 percent from last year. However, Australia's crop may reach 380 million bushels, or 15 percent above its record of 1963.

To summarize, with a record world wheat crop of 8,985 million bushels forecast for 1964, import requirements during 1964-65 will be much lower than those of the preceding year; however, world trade in wheat and flour will probably attain its third highest level.

WHEAT: WORLD PRODUCTION BY MAJOR PRODUCERS

Country	Av. 1957-61	1962	1963	1964[1]
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*
United States	1,225	1,094	1,138	1,286
Canada	408	566	723	600
Australia	206	307	328	390
Argentina	203	190	300	290
France	388	509	377	500
USSR	1,920	2,000	1,500	2,000
Others	3,774	4,069	3,969	4,104
Total	8,124	8,735	8,335	9,170

[1] Preliminary

WHEAT AND FLOUR (GRAIN EQUIVALENT): WORLD EXPORTS BY MAJOR EXPORTER

Country	Average 1957-61	1961-62	1962-63	1963-64[1]
	Million bushels	*Million bushels*	*Million bushels*	*Million bushels*
United States	513	718	638	860
Canada	304	365	331	552
Australia	112	230	182	280
Argentina	85	86	66	102
France	52	68	110	103
USSR	183	186	177	30
Others	104	96	75	118
Total	1,353	1,749	1,579	2,045

[1] Preliminary.

Big Australian Grain Crop Could Lead to Export Problems

Another record production of wheat and bumper crops of barley and oats are being harvested in Australia (November - January). Foreign demand, however, is expected to be much slower than that in 1963-64, posing for Australia the problem of how to dispose of its large wheat harvest.

Provided adverse weather conditions or disease do not affect late crops, Australia may have a wheat outturn of some 390 million bushels—about 60 million above the 1963-64 high. If realized, this will be the third successive wheat crop that has topped previous records.

Responsible for the gain is an acreage increase—to about 18 million acres from about 16.5 million in 1963-64—coupled with exceptionally high yields in many areas.

Both of these factors make possible a record production in New South Wales—major wheat-growing area of Australia. Its crop is forecast at 165 million bushels from 5.8 million acres, and its average yields, at 28.5 bushels per harvested acre. This yield would be nearly 4 bushels above the previous high recorded last year.

Conditions in Victoria, Queensland, and South Australia have also been extremely favorable, all these States expecting good-to-bumper crops. Despite wet seasonal conditions which prevented sowings of the intended acreage and delayed maturity of the grain, Western Australia too will have a crop above the 1963-64 level.

The Australian Wheat Board—which controls wheat marketing—has not yet released estimates of expected deliveries of 1964-crop wheat during the coming season. The Board, which is just finishing a favorable export season owing to heavy purchases by Communist China and European countries, may find the coming marketing year much slower; both transportation and storage problems are foreseen.

If the record crop and large wheat deliveries to the Board materialize, Australia will have about 330 million bushels available for export or carryover. It is hoped that Communist China will account for around 125 million of this, although in the December 1963-November 1964 season less than 80 million bushels were exported to that country. Traditional markets in Western Europe have, on the whole, had excellent crops this year, and this region plus other usual markets is not expected to take over 150 million bushels of the Australian surplus.

Thus, unless present market prospects change markedly, through sudden demand from the East European Bloc or, perhaps, a change in the outlook for Western Europe's 1965 crop, Australia could well be faced with a carryover of at least 55-80 million bushels at the end of the 1964-65 marketing year. By comparison, the carryovers of the past 3 seasons have averaged about 25 million bushels.

In view of this prospective large carryover, the Board is expected to make an all-out effort during the coming season to maximize sales, either as wheat or as flour. Evidence of this is the recent establishment of an Australian Flour Export Promotion Committee, which is to survey a number of potential markets. Already the committee has sent a three-man team to such leading Middle Eastern markets as Cairo, Jeddah, Benghazi, and Tripoli.

The cereal growing districts' generally favorable conditions this year are expected to be reflected in a significantly larger barley crop, estimated at around 53 million bushels against 44 million in 1963-64. Most of the gain will be in South Australia, where yields were much improved, and in Western Australia.

Production of oats, too, should be well above the 1963-64 level; current estimates are for a 96-million-bushel crop compared with 85 million in the previous year. Favorable weather conditions plus a decline in the planted area used for grazing are main contributors to the gain.

These feed grains are consumed largely by the domestic market, and marketing of both has been slow.

—CARL O. WINBERG
Acting U.S. Agricultural Attaché
Canberra, when he wrote this article

No U.S. Meat Import Quotas Foreseen for '65

Official estimates of meat imports into the United States during 1965, released by Secretary of Agriculture Orville L. Freeman as 1964 ended, place the expected total at about 733 million pounds. The Secretary indicated that this quantity would not require Presidential action to invoke meat import quotas.

Under legislation enacted last August, if yearly imports of certain meats—primarily beef and veal—are estimated to equal or exceed 110 percent of an adjusted base quota, the President is required to proclaim a quota for meat imports. Under the quota system, based on the average of meat imports in 1959-63, the level of imports which would trigger the proclamation of quotas is 933.6 million pounds. The Secretary noted that if quotas were proclaimed for 1965 under this procedure, they would amount to 848.7 million pounds.

Secretary Freeman said that the estimate of the quantity of fresh, chilled, or frozen cattle meat and meat of goats and sheep (other than lamb) which will be imported this year is based on detailed surveys of trade and other information. He pointed out that the expected volume is only slightly above the 1964 level, which has now been estimated at about 718 million pounds—30 percent below the 1,048.2 million recorded for 1963.

The Secretary also said that USDA will make quarterly determinations of import prospects to advise the President of any changes that may occur.

New FAS Circulars Issued

Within recent weeks the Foreign Agricultural Service has issued circulars on the following topics of interest to those engaged in foreign trade:

An estimate of world rice production for 1964-65; forecast of the world's corn crop; the record 1964-65 world sugar crop; the world cotton supply and demand situation; forecast of world cotton trade in 1964-65; the soybean and edible oil situation, 1963-64, and prospects for 1964-65; and world jute production, 1964.

The circulars, which contain helpful statistical tables, may be obtained without charge by writing to the Foreign Agricultural Service, Room 5918, U.S. Department of Agriculture, Washington, D.C. 20250.

Mango Production Booming in the United Arab Republic

The United Arab Republic (Egypt) is becoming an important grower and exporter of the mango—a fruit whose popularity is increasing rapidly in many markets throughout the world.

In 1963, UAR plantings of mangoes were double those of 1952, and production hit a new high of 89,000 metric tons. That year, too, exports were at a record; though valued at only $57,000, they helped to make that country one of the largest mango exporters. The UAR has also capitalized on tourist demand, selling in this way around $1 million worth of fresh mangoes, mango juice, and jam yearly.

The mango, which has a peach-like flavor, has long been a popular fruit in the tropical countries of Southern Asia, but during the last century was supposedly brought to Africa and South America by Portuguese sailors. It has adapted satisfactorily to the UAR conditions, and today is the country's fourth most important fruit, outranked only by dates, oranges, and grapes.

Size of the fruit varies from that of a plum to 4 or 5 pounds, the UAR variety generally weighing about a pound and retailing at about 10 U.S. cents.

Grown in desert areas

The dry climate in Egypt is well suited for this fruit, as mangoes do best when there is a well-defined dry season corresponding to the blooming and ripening season. Because of this affinity for dry weather, the mangoes are grown mainly in the regions bordering the desert frontier, where irrigation is helping to bring more land under cultivation. Major growing areas here are El Sharkieh, El Beheira, Ismailia, and more recently, Tahir. The latter Province—entirely desert a decade ago—was recently planted with 1,000 mango trees.

Windbreaks of Australian pine surround each 5-acre plot of new trees. The mangoes are often interplanted with mandarins and tangerines which are dug up when the mangoes reach maturity. At this point, vegetables are often interplanted among the trees.

Growth of the mango tree is in periodic "plushes" when many new leaves, with a wine-colored tinge, appear. After each period of rapid growth, however, there is a period of inactivity, the result being irregular yields such as those experienced in olive production.

A few mangoes have been harvested from 5- and 6-year-old trees, but it usually takes about 10 years before the orchards show a profit. Because of this long waiting period, most of the increased plantings have occurred on farms operated by the government.

Foreign trade expanding

Mangoes enjoy a strong market position, with world demand above current supplies. Indications are that this demand will increase in coming years, as many of the temperate-climate countries are just beginning to favor the fruit.

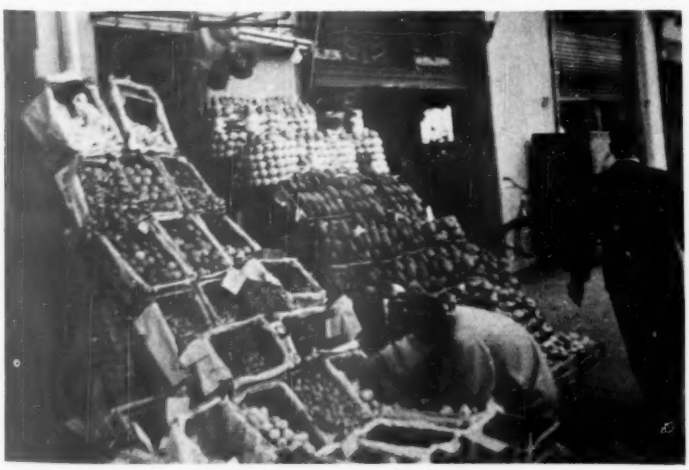
Among the more than 20 countries buying UAR mangoes today, Lebanon is the largest, followed by Switzerland, Italy, Belgium, and West Germany. Closeby nations of Saudi Arabia, Kuwait, Bahrein, and Libya—all with big oil revenues—appear to be potential markets, although now they take only token shipments.

The UAR would like to capitalize on this demand, as only about half of its mango trees are now in full commercial production. There is the possibility, of course, that the growing domestic market will absorb all the increase in supplies.

Competing exporters—Mexico, the Canary Islands, Taiwan, and Malaysia—are also upping their mango exports, in line with strong world demand. The U.S. market, which in 1963 imported $434,000 worth of mangoes, is supplied mainly by Mexico.

—JOHN B. PARKER
Assistant U.S. Agricultural Attaché, Cairo

Below, fruit stand in Cairo is dominated by mangoes. Right, salesman holds up finger, signifying his customer wants only one mango.



The Importance of Trading Firms in the Japanese Economy

By DAVID R. STROBEL
Assistant U.S. Agricultural Attaché, Tokyo

There are different customs and methods of operation in Japan that make it a most interesting country not only for the tourist but also for the businessman. If a U.S. exporter or importer is to do business in Japan, he must sooner or later become familiar with one of the most important cogs in the machinery of Japanese trading—the Japanese trading firm. The sooner he becomes familiar with this unique institution, the better equipped he is to carry on business transactions and place his product on the Japanese market.

What is a trading firm? Basically, it is the salesman for the Japanese manufacturer and the buyer for the user in Japan of imported products. It has been developed and lives on the basis of rendering services.

The Japanese trading firm has no exact parallel in the world. In the United States, Western Europe, and in other world trading areas a trading company usually specializes in either importing or exporting and within this scope specializes further as to the type of goods it handles. It may specialize in food or industrial items and only certain items within each category. However, in Japan the trading firm is a different type of organization. The Japanese trading firm, particularly the giants in Japan, deal in export, import, and domestic trade, and handle everything from "soup to nuts."

The part that the trading firm has played in the economy of Japan and the important place it maintains within the marketing structure is unique and so different that recently a leading Japanese newspaper carried an extensive series of articles on all aspects of the trading firm in Japan's economy.

The development of Japanese trading firms is an extensive and many-faceted story and this article does not provide the space necessary to present a detailed history of its development. However, a brief explanation of the characteristics of the trading firm will be given as an insight into doing business in the Japanese market.

Basically, the trading firms have developed and grown because Japanese manufacturers have left it to the trading firms to do the job of importing their needs and selling their products for them. Only recently have some manufacturers begun to export their products direct and, therefore, are now entering to a limited extent the area that has been an exclusive operation of the trading firms.

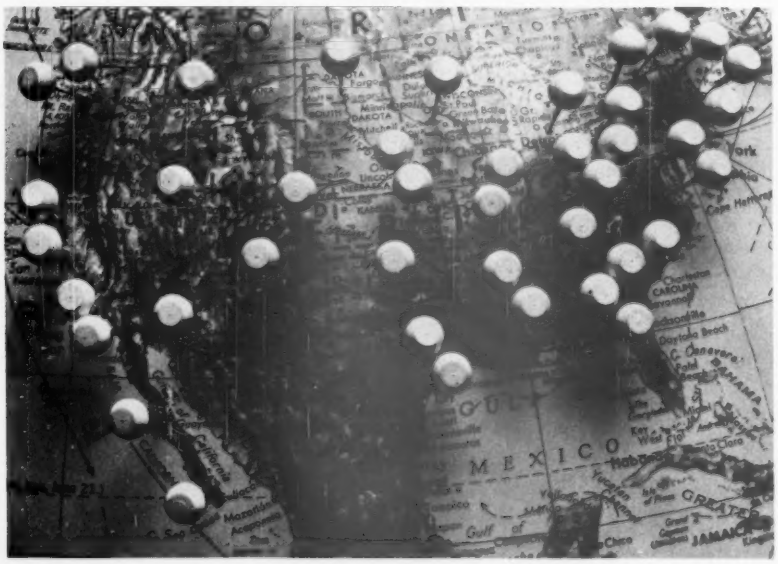
The trading firms have only service to offer. As a result, they have developed efficient staffs of salesmen, have learned world trading conditions and patterns, and have established offices with well-trained staffs in all the major trading areas of the world to further enable them to service the firms for which they are the sales representatives. Likewise, they have developed the same technique of service for the importation of items into Japan.

As sales organizations performing a service, the trading firms, as they have grown, have not developed fixed assets but have increased their capitalization with borrowed commercial capital to further increase their services, including providing credit to their Japanese customers. It is normal for Japanese manufacturers to obtain advance payment from the trading firms for their products to be sold at home and abroad—and for buyers of the imported goods to make deferred payment for their purchases through the trading firms. The trading firms sometimes act as buffers between industries and banks when banks are reluctant to extend credit to apparently vulnerable industries.

The four giants among the Japanese trading firms are Mitsubishi Shoji Kaisha, Mitsui & Co., Marubeni-Iida Co., and C. Itoh & Co. These four firms may be described as completely "integrated" trading firms involved in all aspects of trade. These four firms and seven others in the 1963 Japanese fiscal year (April 1, 1963-March 31, 1964) handled 49.5 percent of Japan's total exports and 59.9 percent of total imports. In this same period 30 trading firms, excluding the four giant trading firms, handled an average in excess of $277 million each in total trade, including domestic trade. The four giants averaged about $2,770 million each.

A U.S. exporter coming to Japan may be dealing with a very large user

Branches and Agents of a Major Japanese Trading Firm in U.S.



or potential user of his commodity. This user may talk to him as if there were no other factors or elements involved in a direct business relationship between the Japanese user and the U.S. exporter. However, if the U.S. exporter asks his potential customer the direct question, "Are you the importer for my product?" in all likelihood he will receive the answer that the product is coming to the user through a trading firm serving as his import agent. This is usually the situation regardless of the business size of the user of the U.S. imported product.

The trading firms have close connections with banks and, of course, are affiliated with the large industrial complexes that have developed since World War II. However, although they might have close connections with financial institutions or with actual manufacturers, the trading firms continue to maintain a separate identity and continue to operate as a separate entity dependent for existence on success in maintaining a profitable operation in the trading functions carried out.

Strong competition has developed in certain areas among trading firms. Small concerns have moved up to the medium range, principally through consolidations, and some of the medium-size firms are giving increasing competition to the giants.

Added to this competition among the trading firms is the factor that manufacturers are beginning to take an active interest in establishing means of direct export of their products rather than moving through a trading firm. There is also some indication that interest in direct importation is developing. As a result of this competition, trading firms continue to expand their services and lines of products they handle to maintain a profitable operation by selling and buying within an ever enlarging field of operation.

All items imported into Japan, even though they are in a liberalized category or may be duty free, still require an import license, as a matter of record. It is very often stipulated that the importer must be an established company and must be a registered importer. Import licenses are controlled by the Government of Japan. The trading firms, for all practical purposes, have been traditionally the registered importers.

Even though there are indications of changes in the structural pattern of export-import, these indications at present are minor and it appears the basic structure for handling the bulk of import and export business of Japan through the established trading firms will continue for many years to come.

The U.S. exporter interested in the Japanese market needs to make an effort to understand and learn the role of the trading firms in the Japanese import trade. A U.S. businessman interested in the Japanese market can begin his education on the Japanese trading firm and the important role it plays by contacting and visiting the U.S. offices maintained by the firms.

The trading firms, owing to their structural operation, do not, as a rule, carry inventories or stocks (the exception being articles with high marketability), and only do business when there is a known customer for the product. In addition, the trading firms, generally, do not take as active a role in finding customers in Japan for imported products, particularly if they are a new, small volume item, as they do in finding external customers for exported products. The U.S. exporter must undertake, particularly on a new product, to develop customers for his products in Japan.

This usually necessitates making a market survey of the Japanese market, made by him or a representative, and determining the best agent relationship to establish. Then, being already familiar with the Japanese trading firm, he thereby has the knowledge and the basic ingredients necessary to do business in the expanding Japanese market: a customer for his product; the trading firm route through which his product will enter Japan; and an agent channel to place his product in the hands of the user.

Japanese Trading Firms for Farm Products in the U.S.

Japan's trading firms, as a rule, have their main U.S. offices in New York City, as do those listed here, which deal in agricultural products. Many firms have branch offices or agents dotting the country—a fact which is graphically demonstrated by the map on the opposite page which shows those of only one of the Big Four.

Ataka New York, Inc.
633 Third Avenue (Zip 10017)
OX 7-7480

Gosho Trading Company, Inc.
50 Broad Street (Zip 10004)
WH 3-0530

C. Itoh & Co. (America) Inc.
320 Park Avenue (Zip 10022)
PL 1-4330

Iwai New York, Inc.
350 Fifth Avenue (Zip 10001)
PE 6-1800

Kanematsu New York, Inc.
1 Whitehall Street (Zip 10004)
HA 5-2700

Marubeni-Iida (America) Inc.
200 Park Avenue (Zip 10017)
973-6500

Mitsubishi International Corp.
277 Park Avenue (Zip 10017)
922-3700

Mitsui & Co., Ltd.
200 Park Avenue (Zip 10017)
973-4600

Nichimen Co., Inc.
60 Broad Street (Zip 10004)
DI 4-3456

Nichiryo (America) Ltd.
61 Broadway (Zip 10006)
BO 9-2633

The Nissho American Corp.
80 Pine Street (Zip 10005)
WH 3-7840

Nomura (America) Corp.
52 Broadway (Zip 10004)
WH 4-8380

Sanyo Corp. of America
39 Broadway (Zip 10006)
WH 4-1966

Sekiya Int'l New York, Inc.
112 W. 34th Street (Zip 10001)
CH 4-3780

Sumitomo Shoji New York, Inc.
277 Park Avenue (Zip 10017)
922-2200

Tokyo Int'l Commerce Co., Inc.
19 Rector Street (Zip 10006)
HA 2-7600

Toshoku Ltd.
11 W. 42nd Street (Zip 10036)
OX 5-6110

Toyomenka, Inc.
2 Broadway (Zip 10004)
DI 4-6130

U.S. Cotton Sales to Switzerland & Italy Seen Off, to Spain Up; U.S. Share in Markets Bigger

Exports of U.S. cotton to Italy and Switzerland in 1964-65 may be down from last year—those to Spain up—but the United States may increase its share in each of these cash markets, according to USDA marketing specialist W. Glenn Tussey.

Mr. Tussey recently returned from a market development trip to these countries to assess the general cotton and textile situation and the possibilities for increased exports of U.S. cotton. In meetings with importers and industry and government leaders, Mr. Tussey discussed U.S. cotton export programs, problems encountered in using U.S. cotton, and the progress of market development programs in these countries.

Mr. Tussey said that the textile industries in the three countries are beset by problems, some having to do with labor and capital scarcities and heavy imports of competing textiles, and all in some way associated with toughening competition from manmade fibers. How well these difficulties can be resolved will have a bearing on total cotton usage and consequently on U.S. cotton exports.

A report by Mr. Tussey on U.S. cotton prospects in Japan, Taiwan, and India will be carried in the February 1 issue of Foreign Agriculture.

Emphasis on ELS prospects

The report emphasized U.S. prospects for exports of extra long staple cotton (American-Egyptian), as the United States at this time is the only country holding significant supplies of ELS, around 193,000 bales in all. Under recent legislation, 18,000 bales of American-Egyptian and 2,000 bales of stockpiled foreign-grown ELS are being offered each month for export sale by USDA.

"The three countries are keenly interested in buying our American-Egyptian cotton under the sales-for-export program," Mr. Tussey said. "How much we can expect to export this season to these dollar markets, however, will depend on the speed with which certain conditions are met."

Important among them is that U.S. shippers forward samples and types of ELS to the foreign importers and agents at an early date.

Mr. Tussey emphasized that "none will be bought on description alone. Foreign spinners of ELS, who have exacting specifications as to quality, are unfamiliar with American-Egyptian and must test its processing performance."

Among the three countries surveyed, Italy—by far the largest buyer of U.S. cotton — this season (August 1964-July 1965) is expected to get more than its usual 40 percent of cotton needs from the United States. Its total imports, however, may be down by about 200,000 bales from the 1 million bales purchased last year.

Less competition from Greece

U.S. cotton's position will be helped by slackened competition from Greek cotton, currently in short supply and much of which will be moving to Eastern markets to offset trade credits these countries have in Greece. Turkish cotton, on the other hand, will continue as a strong competitor of U.S. cotton in the Italian market.

Mr. Tussey said that Italian importers expressed considerable enthusiasm for a new Commodity Credit Corporation program announced this past November which provides low-interest credit for 36 months for purchases of U.S. cotton.

Also encouraging is the interest shown in ELS. Italy normally imports 100,000-150,000 bales of ELS from Egypt and Sudan, but now welcomes a supplementary source because of Egyptian trading practices and the tight ELS supply situation.

Notwithstanding these bright spots, Mr. Tussey calls attention to the crisis in Italy's textile industry. Production is said to be at about 60 percent of last year's rate, because spinners have cut back to keep stocks at manageable levels.

Textile imports in Italy

The lack of longterm credit at favorable interest rates in Italy has contributed to the problem, but the major concern of the Italian industry leaders is the recent upsurge in textile imports — many of which are cotton. Sales of manmade-fiber products, however, have fared better; there has been less competition from imports and

New Maid of Cotton Begins 1965 Cotton Promotion Abroad

With her new crown barely settled, the 1965 Maid of Cotton—Judy Hill of Texas—took off one week after her coronation for work-packed promotion in the Netherlands and Canada.

In Amsterdam on January 4, the MOC participated in an intensive press briefing and in the Big Cotton Show which kicks off the Dutch Cotton Institute's 1965 fashion campaign for spring and summer wear. This marked the beginning of the Netherlands Pilot Campaign, a concentrated promotion program for cotton garments and household cotton textiles. Sponsored jointly by the Institute, Cotton Council Int'l, and FAS, the campaign may be a model for larger countries.

This week the Maid is in Canada for CCI, FAS, and the Canadian Cotton Council for promotions centered about piece goods fashion shows. The current trip takes her to Toronto, London, and a number of other major cities. Carried on in cooperation with Canada's largest department store chain, and McCall Patterns, similar promotions last year greatly increased piece goods buying.

Iran Bank Is First Private Firm To Sign P.L. 480, Title IV Agreement

Secretary of Agriculture Orville L. Freeman has announced signing of the first Title IV, P.L. 480 longterm dollar-credit Food for Peace agreement with a private business firm, the Persian Gas Distribution Co., S.A. (PERSIGAS), of Tehran, Iran. All previous Title IV agreements have been on a government-to-government basis.

Secretary Freeman hailed this first private trade agreement as a significant advance in the use of Food for Peace to promote economic development through encouragement of private enterprise in developing nations. It also marks one step nearer economic self-sufficiency for Iran, and the purchase of wheat from the United States on terms more nearly approaching commercial terms.

Under the agreement, PERSIGAS will be authorized to purchase up to $674,000 worth—about 360,000 bushels—of U.S. wheat for resale in Iran. The Commodity Credit Corporation will finance the sale, plus an additional amount for ocean transportation, making the total export market value of the transaction $750,000.

The Iranian company will use the currency (rials) received from its resale of wheat to expand facilities for processing and distribution of liquid petroleum gas in Tehran and a number of provincial centers in Iran. CCC will be repaid in dollars out of profits from the expanded operation over a 7-year period at an annual interest rate of 4 percent.

The agreement will not only facilitate the company's expanded use of a large energy reserve which, because it is not being used by the public, is being burned because of fire danger, but will also assist in the expansion and development of low-cost gas consumption in the rural areas of Iran and development of the related gas burning equipment industry such as stoves, ranges, and water heaters.

Secretary of Agriculture Orville L. Freeman (seated right) with Simon Akchoti, PERSIGAS Managing Director. (Standing r-l) Clarence Eskildsen, FAS Associate Administrator, and Frank LeRoux, FAS General Sales Manager.

Sales of U.S. wheat under the agreement will be made by private U.S. traders. Issuance of purchase authorizations will be announced later.

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abundant financial resources have enabled them to out promote the manufacturers of cotton goods.

In Switzerland, imports of U.S. cotton from January to September 1964 of 45,000 bales accounted for 30 percent of total Swiss purchases, compared with 23 percent for the 1963 period.

Because of these larger-than-usual imports—plus the large buildup in mill stocks—Swiss importers are now interested in buying for shipment August 1965 and later.

Considerable interest is being shown in American-Egyptian cotton; Egyptian and Sudanese ELS is said to be priced too high. However, it will not be easy for exporters of American-Egyptian cotton—relatively unknown in Switzerland—to capitalize on this situation. Samples, shippers' types, and test bales are needed to acquaint the Swiss with the characteristics of American-Egyptian.

Switzerland's textile situation, while far better than Italy's, also has its problems. Yarn production is reportedly sold ahead for the next 6 months, but mill margins (the difference between the price of raw cotton and of fabrics) are not considered satisfactory, and the lack of sufficient labor is causing some difficulty.

In addition, Swiss textile interests are concerned about the new 15-percent surcharge on textile goods imported by Britain, since the Swiss ship a good deal of their textiles to the United Kingdom.

A long-standing worry of Swiss textile interests has been the competition from manmade fiber producers, whose extensive billboard advertising in Switzerland is but one indication of their intensive promotion.

Spain, in contrast to both Switzerland and Italy, produces a large part of its cotton needs and each year's harvest is an important element in U.S. prospects. The Ministry of Agriculture, predicting a 23-percent decline in this year's production, anticipates 1964-65 imports to be 100,000 bales, 30,000 more than in 1963-64 when 14,000 bales were imported from the United States.

The reduced production of cotton in Spain, especially of ELS, is interpreted by many trade sources to mean that producers are finding alternative crops more profitable.

As in Italy, Spanish ELS users may shift to American-Egyptian for some of their 30,000-bale import requirement of ELS, provided quality is satisfactory.

The textile industry's big complaint is the price which must be paid for domestic cotton as a result of Spanish price supports for cotton.

High cotton prices make competition from manmade fibers even more intense. As it stands, manmades account for one-quarter of the fiber market. Promotion expenditures for manmades are about 15 or 20 times those for cotton market development.

Argentina Has Record Wheat Crop

The second official estimate places Argentina's 1964-65 wheat crop at nearly 9.2 million metric tons. This is 13 percent above the previous crop of 8.2 million metric tons and also well above the first estimate for this season of 7.6 million.

The gain came despite a drop in acreage and has been attributed to extremely favorable weather conditions during the latter part of the growing season. Record yields were reported from most areas.

Germany Ups Its Feed Grain Imports

West Germany is reported by the trade to have imported 1,415,000 metric tons of feed grains in the first 4 months of fiscal 1964 compared with 910,000 in the same period of the previous year.

U.S. shipments of feed grains to that country were 464,100 tons compared with 169,900 in the first 4 months of fiscal 1963.

French Cereal Exports Expected To Set New Record

France expects a record-breaking year for cereal exports, according to trade reports.

The National Cereals Office of France forecasts that 1964-65 cereal exports will be above the 6.2 million metric tons of 1963-64 and well over the 4.1 million of 1962-63 and the 3.4 million of 1961-62. This would place France fifth among world exporters of cereals.

During July-November of the current crop year, the Cereals Office issued export certificates for over 3.4 million metric tons of grain compared with 2.6 million for the same period in 1963. Wheat exports for the period were almost twice as high as last year, and barley exports were up slightly. Shipments of corn, however, were down markedly because of a poor crop.

U.S. Tobacco Exports in November 1964

U.S. exports of unmanufactured tobacco in November 1964, at 56 million pounds, were 5.4 percent below those of November 1963. The export value was $47.4 million, compared with $49.5 million.

Flue-cured exports were 43.9 million pounds—down 11.5 percent from the 49.6 million shipped out in November 1963. Burley exports, however, rose from 3.9 million in November 1963 to 5.1 million.

Exports of Maryland leaf, at 1.3 million pounds, were more than double those of November 1963, while exports of Virginia fire-cured were down substantially.

Total exports for the first 11 months of 1964 were 444.5 million pounds—down 1 percent from the 449.1 million shipped out in January-November 1963.

Exports of tobacco products in November 1964 were valued at $10.8 million—about the same as in November 1963. For the first 11 months of 1964 the total value of all tobacco product exports was $115.3 million—up 4.9 percent from the previous year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	November		January-November		Change from 1963
	1963	1964	1963	1964	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	49,631	43,932	356,692	343,907	— 3.6
Burley	3,867	5,052	40,426	44,663	+10.5
Dark-fired Ky.-Tenn.	1,876	1,701	13,261	17,078	+28.8
Va. fire-cured[1]	921	386	5,102	4,410	—13.6
Maryland	595	1,263	9,318	10,782	+15.7
Green River	5	107	576	775	+34.4
One Sucker	28	9	456	157	—65.6
Black Fat, etc.	334	347	3,646	3,074	—15.7
Cigar wrapper	157	234	4,487	5,074	+13.1
Cigar binder	33	60	784	1,422	+81.4
Cigar filler	44	27	352	452	+28.4
Other	1,800	2,963	14,013	12,685	— 9.5
Total	59,291	56,081	449,113	444,479	— 1.0
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	49.5	47.4	357.5	355.9	— .4

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	November		Jan.-Nov.		Change from 1963
	1963	1964	1963	1964	
Cigars and cheroots					*Percent*
1,000 pieces	3,225	4,535	31,862	41,434	+30.0
Cigarettes					
Million pieces	2,047	2,042	21,645	22,301	+ 3.0
Chewing and snuff					
1,000 pieces	8	34	433	379	—12.5
Smoking tobacco in pkgs.					
1,000 pounds	67	156	802	1,302	+62.3
Smoking tobacco in bulk					
1,000 pounds	888	1,001	9,336	9,377	+ .4
Total declared value					
Million dollars	10.7	10.8	109.9	115.3	+ 4.9

Bureau of the Census.

Pakistan Produces More Cigarettes

Cigarette output in Pakistan continued upward through the first half of 1964, to 9,036 million pieces from 7,631 million in the same 1963 period.

Output for the entire year may have slightly exceeded 19.0 billion pieces, compared with 16.3 billion produced in 1963 and 13.7 billion in 1962.

Malay States' Output of Tobacco Products Down

Output of tobacco products in the Malay States (formerly the Federation of Malaya) during the first half of 1964 was down slightly from that in the same period of 1963.

Cigarette output totaled 6.3 million pounds, compared with 6.4 million in January-June 1963. Production of cigars and cheroots was down about 2 percent, and smoking mixtures, by over 3 percent.

Manufacturers' usings of leaf, at 8.7 million pounds, were off 2.4 percent from the 8.9 million used in January-June 1963. The rise in use of domestic leaf was not enough to offset the decline in that of imported tobaccos. Usings of domestic leaf rose to 3.5 million pounds from 3.2 million for January-June 1963, whereas using of imported tobaccos dropped to 5.2 million pounds from 5.7 million for the same 1963 period.

South Africa Using Less Jute in its Wool Packs

South Africa plans to export more of its wool in paper-wrapped bales rather than the traditional jute covering, based on results of a trial shipment of paper-packed wool. Textile manufacturers reportedly have assured the South African Wool Board that they are prepared to pay a premium for wool packed in paper rather than in jute.

South African wool exports in 1963 totaled 918,000 bales (270 lb.). Pakistan is the principal supplier of raw jute to South Africa, although in July-June 1962-63 it exported only 23,334 long tons (2,240 lb.) compared with 28,561 in 1961-62. Pakistan's exports of jute goods to South Africa also fell, by 5,924 tons to 31,959.

Netherlands To Import Less Sugar

Production of sugar in the Netherlands for the 1964-65 season is expected to approximate 625,000 short tons, raw value. Annual sugar consumption amounts to about 580,000 tons, and imports can be reduced 55,000 tons below the 1963-64 level of 286,000 tons. This year's surplus of sugar will be used, at least in part, for the manufacture of chocolate and sugar products for export.

Synthetic Carpet Backing To Compete With Jute

U.S. producers of synthetic carpet-backing materials recently announced that their products will soon be available in commercial quantities.

These synthetic products—such as a new polyolefin woven fabric designed especially for primary backing of tufted carpets, a spunbonded sheet structure of polypropylene and a scrim completely encapsulated in flexible foam—will compete directly with woven jute fabric. Two of these products are to be produced in plants located in Georgia and Tennessee. The Georgia plant will have an initial capacity of 40 million square yards employing 150 persons.

In 1963, U.S. imports of jute fabric (over 100 inches wide) totaled 143.7 million pounds valued at $48.7 million. Most were from India.

Yugoslavia Has Honey for Export

Yugoslavian exporters reportedly have about 2,000 metric tons (4.4 mil. lb.) of honey for sale, more than half of which is for export. Yugoslavia usually sells to Western Europe, but since this market reportedly has sufficient supplies to meet consumption requirements for a few months, Yugoslav traders are attempting to find other markets in the United States, Canada, and elsewhere.

Production of honey in Yugoslavia amounts to about 8 million pounds per year.

Chile Expects Smaller Honey Production

The 1964 Chilean honey production is estimated at 5,800 metric tons, slightly larger than the 1963 crop. The 1965 production may be less, however, because of drought in the north and north-central parts of the country.

Chilean honey exports in 1964 amounted to about 2,500 metric tons. The leading buyer, West Germany, imported about 1,200 metric tons during the first 6 months of 1964, and Denmark and Italy each imported over 200 tons. Foreign marketing prospects for 1965 are considered good, as Germany and Denmark have already shown interest in the crop. An exportable surplus of 2,600 metric tons is expected for 1965.

Australian Meat Shipments to the United States

Five ships left Australia during December with 14,530,880 pounds of beef, 598,080 pounds of mutton, 60,580 pounds of lamb, and 2,240 pounds of variety meats for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Gulf and eastern ports			*Pounds*
Cap Blanco ------- Dec. 8	Charleston	Jan. 1	Beef	631,680
	Boston	10	Beef	257,600
			Mutton	67,200
	New York	16	Beef	1,713,600
			Mutton	67,200
	Philadelphia	21	Beef	434,560
			Mutton	26,880
	Norfolk	25	Beef	405,440
			Mutton	33,600
City of Brisbane --- Dec. 8	Charleston	7	Beef	461,440
			Mutton	33,600
	Norfolk	9	Beef	414,400
	Boston	11	Beef	775,040
			Mutton	33,600
	New York	13	Beef	1,675,520
			Mutton	100,800
			Lamb	20,160
			Variety meats	2,240
	Philadelphia	18	Beef	322,560
Crystal Sea ------- Dec. 16	Charleston	Jan. 1	Beef	344,960
			Mutton	33,600
	Philadelphia	11	Beef	338,240
			Mutton	33,600
	New York	15	Beef	1,084,160
			Mutton	33,600
	Boston	18	Beef	719,040
Montreal Star ----- Dec. 19	Tampa	12	Beef	898,240
			Mutton	33,600
	New Orleans	14	Beef	170,240
	Charleston	15	Beef	680,960
			Mutton	40,320
	Norfolk	16	Beef	674,240
	Philadelphia	19	Beef	434,560
			Mutton	60,480
	New York	21	Beef	936,320
			Lamb	40,320
	Boston	23	Beef	185,920
	Western ports			
Bakke Reefer ----- Dec. 15	San Francisco	13	Beef	282,240
	Los Angeles	18	Beef	689,920

[1] Cities listed indicate location of purchaser and usually port of arrival and destination area, but meat may be diverted to other areas for sale.

Portugal Has an Average Fig Pack

The 1964 commercial dried fig pack in Algarve, Portugal, is now estimated at 10,600 short tons. This is virtually the same as the 1958-62 average pack of 10,700 tons but well below the large 1963 pack of 13,600.

Exports for the first 3 months (September-November) of the 1964-65 season were 1,316 tons whole, 1,827 paste, and 177 for industrial use. Paste exports are expected to total about 5,000 tons—down from the 6,064 exported in 1963-64 but still well above average. Whole fig exports during 1964-65 are forecast at 1,600 tons against 2,074 in 1963-64. The United States usually takes about 90 percent of Portugal's exports of paste but under 5 percent of its whole fig exports.

Portuguese fig paste offers in New York are reportedly at about 12 cents per pound, c.i.f., as compared with around 9 cents at this time last year.

Spain's Dried Apricot Pack Smaller in 1964

Spain's dried apricot pack for 1964 is now estimated at 2,200 short tons—down 33 percent from the earlier estimate and from the 3,300-ton 1963 pack. The current estimate is still, however, 18 percent above the 1958-62 average production of 1,700 tons.

According to official Spanish customs data, exports of dried apricots during the season ending July 31, 1964, totaled 3,222 tons, compared with 2,173 in 1962-63. Private trade sources report that between August 1 and November 22, 1964, exports were 949 tons, while in August 1-November 30, 1963, exports totaled 1,278 tons. Norway and Denmark were again the leading markets for Spain's dried apricot exports, taking nearly half of the 1963-64 total.

The 1964-65 season reportedly began with an average export price of 22 to 23 cents per pound. With about half of the pack sold, however, processors are asking 27 to 30 cents. About half of the crop last season (1963-64) was offered at less than 15.1 cents per pound.

Estimate for Greek Dried Fig Pack Revised

Greece's 1964 dried fig pack is now estimated at 28,500 short tons. This estimate—a 2,000 ton reduction from the earlier one—is below both the 1963 crop of 32,000 tons and the 29,300-ton average production in 1958-62. Late rains delayed maturity, hampered drying operations, and reduced both the quantity and quality of the crop.

Exports during August-November 1964, at 11,096 tons of dried figs and 112 tons of paste, were above shipments for the same period in 1963. However, total exports of figs and fig paste for 1964-65 are expected to be below the 1963-64 level of 16,065 tons (15,459 of figs and 606 of paste.).

EEC Opens Tariff Quota for Dried Prunes to Germany

The EEC Commission has granted the Federal Republic of Germany a third-country tariff quota for dried prunes. The quota is for 5,700 metric tons and is effective during calendar 1965.

The tariff quota will be granted at an ad valorem rate of 7.7 percent compared with a normal duty to third countries of 10.4 percent. This quota is granted on the condition that the duty on imports from member countries be reduced to 1.3 percent from the normal rate beginning January 1, 1965, of 4 percent.

Spanish Raisin Estimate Raised

Spain's 1964 raisin pack is estimated at 12,500 short tons—up 14 percent from the earlier estimate. If this proves accurate, the 1964 pack would be above the 11,600-ton 1963 pack, but below the 1958-62 average pack of 13,200 tons. The 1964 pack consists of an estimated 7,600 tons from Malaga and 4,900 from Denia.

Exports for the 1963-64 season totaled 5,892 tons, against 5,513 in 1962-63 and the 1958-62 average of 6,243. Shipments during August 1-November 22, 1964, totaled 2,677 tons, compared with 3,316 shipped during the same period in 1963.

After opening the season at an export price of 16.6 cents per pound f.o.b., average quality Malaga raisins have dropped to 11-12 cents. Exporters claim the current price does not cover production costs. Denia raisins are priced at about 10.6 cents per pound to producers and 15.9 cents f.o.b. Spanish ports.

Activity Off in Belgian Cotton Textile Industry

Activity in the cotton textile industry in Belgium has slowed considerably in recent weeks. Belgian cotton textiles, both at home and abroad, are currently having to compete with textiles imported from Far and Middle Eastern countries. The imposition of a 15-percent surcharge on imports of textiles by the United Kingdom has virtually precluded any movement of Belgian textiles to that market. The net result has been a buildup in yarn stocks and a reduced spinner inquiry for raw cotton.

Cotton consumption of 98,000 bales in the August-October period of the current season was slightly below the 104,000 bales used in the same period a year ago. Consumption this season will likely be from 10 to 15 percent below the 394,000 bales consumed in 1963-64.

Belgium's imports of U.S. cotton during the full 1963-64 season (August-July) exceeded those of 1962-63 and comprised a larger proportion of total imports than in the prior year. Imports of U.S. cotton, at 130,000 bales (480 lb. net), accounted for 35 percent of the total 369,000 bales imported in 1963-64; in 1962-63, they were 22 percent of the total intake of 359,000 bales. Imports in all of 1964-65 may be down somewhat from last year.

Quantities of cotton imported from principal sources other than the United States in the 1963-64 season, with comparable 1962-63 figures in parentheses, and in 1,000 bales, were Turkey 50 (71); Brazil 38 (43); Argentina 32 (44); Peru 22 (16); Pakistan 12 (4); Nigeria 10 (11); Chad 9 (10); Egypt 8 (6); Spain 8 (0); Mexico 7 (17); Congo (Leopoldville) 7 (12); and Sudan 5 (5).

Korea To Receive More U.S. Cotton Under Title I

The U.S. Department of Agriculture announced on December 31 a Food for Peace agreement (negotiated under Title I of P.L. 480) between the United States and South Korea.

Under terms of the agreement, $27.57 million worth of U.S. cotton (approximately 230,000 bales) will be sold for Korean currency (won). Sales will be by private U.S. traders. Purchase authorizations will be announced later, and specific details may be obtained from the Program Operations Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D. C. 20250.

Korea imported 269,000 bales of cotton in 1963-64, compared with 324,000 in 1962-63 and the 1957-61 average of 233,000. All these were of U.S. cotton.

Yugoslavia Imports Less Cotton in 1963-64

Yugoslavia imported 311,000 bales (480 lb. net) of cotton during its 1963-64 season (July-June). This was 13 percent less than the 356,000 bales imported in the previous season.

A major portion of the decrease was accounted for by much smaller shipments from the United States, which for several years prior to 1963-64, had been the principal source of cotton for Yugoslavia. Imports of 17,000 bales of U.S. cotton last season, all under Public Law 480 arrangements, constituted only 5 percent of the Yugoslav cotton import market, compared with 213,000 bales, or 60 per-

cent, a year earlier. However, in 1964-65, imports of U.S. cotton are likely to increase sharply over 1963-64, as indicated by exports from the United States of 68,000 bales in the July-October period of 1964.

Quantities (in 1,000 bales) with 1962-63 figures in parentheses, imported from principal suppliers other than the United States during 1963-64, were Greece 54 (55), Pakistan 41 (0), Egypt 37 (49), Sudan 25 (9), Syria 24 (3), Iran 24 (4), Mexico 17 (0), Chad 14 (0), Brazil 11 (0), Uganda 11 (0), and Kenya 8 (0).

Cotton consumption in Yugoslavia this season (August-July) is expected to be about 15 percent larger than the 350,000 bales used in 1963-64, as consumer demand continues to expand. The country appears to offer considerable promise as a larger export market for U.S. cotton.

The 1964-65 cotton crop in Yugoslavia is estimated at 15,000 bales, compared with 13,000 a year ago and the 1955-59 average of 12,000. Relatively unfavorable climatic conditions and competition from other crops tend to hold production at its present low level.

Beginning cotton stocks on August 1 of this season were estimated at 72,000 bales, compared with 59,000 a year earlier.

Swedish Winter Rapeseed Acreage at 1963 Level

The area sown to rapeseed in Sweden in the fall of 1964 is, according to the October 15 crop survey, officially estimated at 201,900 acres, or about the same as in 1963.

Based on an assumed winter kill of 15 percent, it is estimated that about 170,500 acres might be harvested in 1965 compared with only 156,900 last year. If yields and spring seedings approximate the 1959-63 average, Swedish rapeseed output in 1964 could reach 175,000 metric tons, about one-fifth above the 1955-59 average.

Tunisia's Olive Oil Exports

Tunisia's olive oil stocks on November 1, 1964, were 33,000 metric tons. With production forecast at about 85,000 tons and domestic consumption, at 44,000 tons, Tunisia's exportable surplus would be 74,000 tons.

Tunisia, the world's second major olive oil exporter in 1963-64, exported 43,928 metric tons of olive oil—nearly 50 percent more than in 1962-63.

Regulations governing the 1964-65 marketing season (under decree No. 64-349) were published in the *Official Journal* on October 30, 1964. Exporters are now required to deposit with the Office de l'Huile a quantity of oil equal to 25 percent of what they are prepared to export, compared with only 10 percent in 1963-64. The deposits will be purchased by the Office de l'Huile at prices of 180 millimes per kilogram (15.7 U.S. cents per lb.) for super-extra or "extra" grades and 170 millimes (14.8 U.S. cents per lb.) for grades having 2 to 3 percent acidity. As during the 1963-64 season, all olive oil stocks must be reported and the circulation of oil will be under strict control.

During 1964-65, Tunisian olive oil exporters are optimistic that there will be sustained export demand during 1964-65, largely from France and Italy. However, exports to France, Tunisia's leading olive oil market, will be adversely affected by a 17-precent ad valorem French import tax. In September 1964, the Tunisian dinar was devaluated by 20 percent (from US $2.40 to US $1.92 per dinar) and a 10-percent export tax was established. Exports of olive sulfur oil continue to be prohibited.

TUNISIAN OLIVE OIL EXPORTS, 1959-63

Country of destination	Year beginning November 1				
	1959	1960	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*	*Metric tons*
United States	32	977	3,550	455	1,448
Cuba	---	---	5,630	---	---
France	11,733	22,541	18,069	8,195	26,236
Italy	8,546	6,055	15,849	18,282	5,366
Bulgaria	---	---	1,376	---	301
Czechoslovakia	---	943	1,494	250	2,050
Germany, East	---	180	---	---	145
Poland	---	---	1,037	743	1,596
Yugoslavia	675	2,923	1,658	300	298
USSR	1,500	2,980	3,282	1,154	1,000
Mainland China	400	---	400	---	500
Others	163	[1]6,201	3,914	275	[2]4,988
Total	23,049	42,800	56,259	29,654	43,928

[1] Includes 3,546 tons to Greece and 1,171 to Libya. [2] Includes 3,713 tons to Libya and 1,106 to Morocco.
Compiled from official and other sources.

Japan's Soybean, Safflower Imports Up in 1964

Japan's imports of soybeans, safflower seed, and soybean cake and meal continued through September 1964 to exceed imports in the same period of 1963.

JAPANESE IMPORTS OF SOYBEAN, SAFFLOWERSEED, AND SOYBEAN MEAL

Commodity and major source	1963		January-September 1963		1964	
	Quantity	Value	Quantity	Value	Quantity	Value
	1,000 metric tons	*Mil. dol.*	*1,000 metric tons*	*Mil. dol.*	*1,000 metric tons*	*Mil. dol.*
SOYBEANS						
United States	1,314.3	143.7	985.5	106.4	945.8	110.9
Total	1,544.4	167.9	1,157.9	124.4	1,168.5	134.8
SAFFLOWER-SEED						
United States	195.8	22.6	104.7	12.5	134.7	14.7
Total	195.8	22.6	104.7	12.5	135.8	14.9
SOYBEAN CAKE AND MEAL						
United States	3.1	.3	1.4	.2	12.4	1.4
Total	3.7	.4	1.8	.2	12.4	1.4

Customs Bureau, Ministry of Finance, Tokyo, Japan.

Imports of soybeans, at 1.2 million metric tons (42.9 million bu.), were only slightly larger than during January-September 1963. Because of increased imports from Communist China, imports from the United States, at 0.9 million tons (34.8 million bu.), were down 4 percent from those of 1963; however, higher prices resulted in a 4-percent gain in the value of soybean imports from this country.

Imports of safflowerseed, virtually all from the United States, totaled 135,830 tons—or almost one-third larger than in the comparable period last year.

Soybean cake and meal imports, also virtually all from the United States, were 12,419 tons compared with only 1,768 in the first 9 months of 1963.

Netherlands Oilseed Production Rises

Production in 1964 of the two major oilseed crops in the Netherlands, flaxseed and rapeseed, is placed at 39,120 and 11,350 short tons, respectively, according to the final official estimate, against 25,350 and 11,010 in 1963.

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The higher flaxseed outturn in 1964 reflected increased yields as well as increased acreage. The larger production of rapeseed resulted entirely from higher yields; acreage declined somewhat.

Philippine Exports of Copra, Coconut Oil Down

Registered exports of copra and coconut oil from the Philippine Republic in 1964, on an oil equivalent basis, totaled 742,030 long tons, a decrease of 8 percent from the 806,494 registered in 1963. Copra exports fell 13 percent, while coconut oil exports rose 6 percent.

PHILIPPINES REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country and continent of destination	1962	1963	1964[1]
	Long tons	*Long tons*	*Long tons*
Copra:			
United States	249,594	245,293	231,215
Europe	512,795	623,693	518,988
South America	45,928	16,970	26,800
Japan	14,700	38,977	29,880
Other Asia	---	500	500
Middle East	1,500	3,250	140
Total	824,517	928,683	807,523
Coconut oil:			
United States	137,142	183,648	181,579
Canada	800	---	---
Europe	---	28,489	41,286
South Africa, Rep. of	---	---	2,251
Japan	---	---	99
Total	137,942	212,137	225,215

[1] Preliminary.
Associated Steamship Lines, Manila.

The decline in registered exports in 1964 from the previous year largely reflects less-than-average rainfall in the major coconut-producing areas from November 1962 through 1963.

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